GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2364
ANSWERED ON:17.08.2006
RATE OF NATURAL GAS
Mehta Shri Bhubneshwar Prasad

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Oil and Natural Gas Corporation is being forced to sell its gas on cheaper rates and a very high price is being paid to the oil field operators of Panna, Mukta and Tapti oil fields, as reported in the Dainik Jagaran, dated June 27, 2006;

(b) if so, the details thereof;

(c) the sanctioned rate of gas on which the ONGC is permitted to sell its gas;

(d) the names and series-wise details of the field operators of Panna, Mukta and Tapti oil fields and the rates which are being received by these operators; and

(e) the reasons for differences in rates of gas of ONGC and the operators of Panna, Mukta and Tapti?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (c): While, the price of gas produced by ONGC from the fields given to it by the Government on nomination basis is being fixed by the Government under the Administered Pricing Mechanism (APM), the Panna, Mukta and Tapti Joint Venture (PMT JV) is selling their gas on market considerations. While the price of APM gas for Power and Fertilizer sectors is at Rs. 3200/ thousand standard cubic metre (MSCM), the price of APM gas for other than Power and Fertilizer sectors APM consumers is at Rs. 3840/MSCM.

(d) & (e): PMT JV include ONGC, Reliance Industries Limited and British gas in the ratio of 40:30:30. The PMT JV sells 4.8 million standard cubic metre per day (MMSCMD) gas directly to its consumers, and the remaining gas @ US $ 4.75/ million british thermal units (MMBTU) to GAIL. As compared to APM gas from the nominated fields of ONGC, the gas produced from PMT JV is governed in terms of the Production Sharing Contract.